

PROVIDERS

With the implementation of HealthChoice in July 1997, a new provider type, Managed Care Organization (MCO), was added to the list of providers who participate in providing health care services to eligible recipients. MCOs are similar to HMOs in that they receive a monthly capitation fee for each enrolled recipient and agree to provide a certain set of services.

MCOs can be licensed HMOs or new non-HMO organizations meeting the definition of MCO developed by the Maryland Insurance Administration (MIA) and the Department of Health and Mental Hygiene (DHMH). Under the HealthChoice Program, MCOs contract with direct health care providers to provide services for their enrolled population. Medicaid providers who had participated prior to HealthChoice were assured participation in at least one MCO. Contracted health care providers are reimbursed by the MCO and may be providing services for more than one MCO.

Since not all Medicaid Program enrollees are eligible to be enrolled in an MCO, and MCO enrollees still may receive services not covered by the MCO, many providers continue to participate and bill Medicaid directly on a fee-for-service basis. Providers rendering services not covered by the MCOs have continued providing services much as they have in the past to the same populations.